

SUMMARY OF NO. 13-11

This proposed law would provide corporate taxpayers with a tax credit for each newly hired employee, for the first five years of the employee's employment. The credit would be allowed for each quarter that the newly hired employee remains employed during the five year period.

The amount of the tax credit would be equal to the employee's wages for each quarter, multiplied by either the tax rate applicable to the taxpayer at the time the credit is claimed, or by 5 percent, whichever is higher. The credit would be allowed only if the taxpayer has not previously employed the employee at any time, the employee is eligible for legal employment in Massachusetts, and the employee earns less than \$100,000 annually.

The proposed law requires the state Commissioner of Revenue to issue regulations to implement the tax credit. Such regulations would have to make the tax credit available, on substantially the same terms, to other for-profit taxpayers that are subject to state taxation.

The proposed law would take effect on January 1, 2015.